

Reconciliation of Fund Balances to the Statement of Net Assets

June 30, 2004

(Amounts in thousands)

Total fund balances - governmental funds	\$	4,424,406
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources
and, therefore, are not reported in the funds. Those assets consist of:

Land.....	\$ 685,432	
Construction in process.....	1,023,815	
Depreciable capital assets and infrastructure, net of \$ 6,564,302 of accumulated depreciation.....	8,731,764	
Central Artery / Tunnel Project construction in process.....	1,244,462	
Central Artery / Tunnel Project untransferred assets in use net of \$ 247,327 accumulated depreciation	10,088,046	
Capital assets, net of accumulated depreciation.....		21,773,519

Amounts presented in the statement of net assets, but not in fund balances due to differences in revenue recognition under different bases of accounting.....	652,189
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Elimination of due from / due to activity between state departments within primary government and business type activities.....	(9,959)
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Long - term liabilities, including bonds payable, are not due and
payable in the current period and therefore are not reported
in the funds. These liabilities include:

Pension underfunding Boston Teacher's Retirement System net pension obligation.....	(95,480)	
Bonded debt.....	(17,382,172)	
Accrued interest on bonds and contract assistance payable.	(210,601)	
School construction grants payable.....	(3,259,126)	
Contract assistance payable.....	(333,228)	
Amounts to be transferred to component units and related organizations in conjunction with the Central Artery / Tunnel Project.....	(11,332,508)	
Capital leases (including accrued interest).....	(57,900)	
Claims and judgments.....	(82,700)	
Employee benefits, including compensated absences, health insurance benefits and other compensation claims.....	(427,891)	
Long - term liabilities (including current portions).....		(33,181,606)

Total net assets - governmental activities	\$	(6,341,451)
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The notes to the financial statements are an integral part of this statement.